

2019–2020 REPORT ON THE IMPLEMENTATION OF THE EU COUNCIL RECOMMENDATION TO LITHUANIA IMPLEMENTATION MEASURE PLAN

1 Recommendation . Improve tax compliance and broaden the tax base to sources less detrimental to growth. Address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system.

1 Objective . Improve tax compliance and broaden the tax base to sources less detrimental to growth.(Implementing structural reforms to reduce tax regulation and the shadow economy¹)						
Indicators		2016	2017	2018	2019	2020
Share of gross domestic product (hereinafter referred to as GDP) in tax revenue (including social security contributions),%	<i>Plan</i>	30.2	30.1	30.9	31.2	31.9
	<i>Fact</i>	30.0	29.8	30.5	30,5	–
Estimate of unused value added tax potential, per cent	<i>Plan</i>	26.2	25.4	24.7	24	23.3
	<i>Fact</i>	26.7	25.4	25.1	– ²	–
Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the EU Council recommendation	Implementation.	
In order to increase the redistribution of GDP through the budget, the following measures are provided to increase funding for social and health protection, education and other areas:						
1.1. To prepare the draft Law on the amendment of the Law on Tax Administration of the Republic of Lithuania No. IX-2112	Possibilities to systematically change the paper (written) form of retail sales and service provision data administration into electronic form	2020 II quarter	Ministry of Finance of the Republic of Lithuania (hereinafter - MoF)	High Opportunities are created to improve the administrative capacity of the tax administrator and thus encourage taxpayers to pay taxes voluntarily by transferring as many tax administration procedures to the	Being implemented. Currently prepared draft Law on the amendment of the Law on Tax Administration of the Republic of Lithuania No. IX-2112 , will create opportunities are created to improve the administrative capacity of the tax administrator and thus encourage taxpayers to pay taxes voluntarily by	

¹ 6 Structural reforms <https://lrvt/uploads/main/documents/files/LRV%206%20strukturines%20reformos.pdf>

² 2019 estimate will be published in fall 2020.

				electronic space as possible.	transferring as many tax administration procedures to the electronic space as possible.
1.2. Apply the reverse charge mechanism of value added tax (hereinafter - VAT) in cases of trade in electronic goods (Task 3.1 of the Government program implementation plan of the Government of the Republic of Lithuania, approved by the 13 march 2017 order of the Government of the Republic of Lithuania No. 167 "On the approval of the implementation plan for the program of the Government of the Republic of Lithuania" hereinafter referred to as - Government program implementation plan).	More efficient VAT administration in cases of trade in electronic goods, where VAT is paid not by the seller but by the buyer himself, who is registered as a VAT payer.	2019 III Quarter.	MoF	Low Improving tax compliance	Implemented. Amendments to the 13 April 2002 Ruling of the Government of the Republic of Lithuania No. 900 "On the measures to ensure tax measure implementations" were adopted by the Government of the Republic of Lithuania on the 24 of April, with which reverse VAT taxation mechanism was determined for the sales of hard disk drives, mobile phones, tablet and laptop computers.
1.3. Prepare and submit proposals for the expansion of the real estate tax base	The extension of real-estate property of taxation for natural persons has broadened the tax base, which is less harmful to economic growth	2019 IV quarter.	MoF	Average Shifting to taxing sources, the taxation of which damages growth in a lesser way.	Implemented. On 12 December 2019, amendments were adopted to the Law on real-estate tax of the Republic of Lithuania, increasing the taxation of non-commercial real-estate owned by natural persons, by reducing the non-taxable

					amount applicable to non-commercial real estate of natural persons.
<p>1.4. Transformation of the temporary road user charging system (Eurovignette) into a distance-based electronic charging system in line with the "polluter pays - user pays" principle. (Measure 7 of Task 4.4.2 of the Government program implementation plan “Development of sustainable transport infrastructure”)</p>	More efficient administration of the road user charging system and broadened tax base by shifting to taxing sources, the taxation of which damages growth in a lesser way.	2020 IV quarter.	Ministry of Transport and Communications of the Republic of Lithuania (hereinafter - MoT)	High On 1 January 2020, the road user charge paid by vehicle drivers for the period during which the road infrastructure is used is converted into a road toll for the distance travelled on the roads in order to ensure the application of the "polluter pays" and "user pays" principles. In 2018, EUR 38.8 mln. of road user tax was collected and it is planned that after the introduction of the toll for the distance travelled, an additional EUR 50-70 million will be collected.	Being implemented. Draft laws on amendment of Articles 2, 3, 6, 9 and Annex 2 of the Law on Financing the Road Maintenance and Development Program of the Republic of Lithuania, amendment of Article 17 of the Law on Roads of the Republic of Lithuania, amendment of Article 463 of the Code of Administrative Offenses of the Republic of Lithuania and additional information on toll calculation principles and the impact of the introduction of road tolls on business and the end user were prepared. Draft amendments to legal acts related to the introduction of the distance toll and the substantiating materials are examined in the Budget and Finance Committee of the Seimas (hereinafter referred to as Parliament) of the Republic of Lithuania.
<p>1.5. Review waste pollution charges to set rates to encourage waste reduction and recycling 1. Coordinate the draft law amending the Law on the Pollution Tax of</p>	Taxpayers are encouraged to reduce the amount of waste and pollutants generated and to take care of the reuse and management of waste	2020 IV quarter.	Ministry of Environment of the Republic of Lithuania (hereinafter - MoE)	Average 1) Inefficient tax incentives for stationary sources are being gradually terminated; 2) The procedure for applying the tax on	Being implemented. Taking into account the recommendations of the Organization for Economic Co-operation and Development and the European Commission (hereinafter referred to as the

<p>the Republic of Lithuania (new wording) and to submit the draft for consideration during 2019 Parliament autumn session.</p> <p>2. Adopt the Law Amending Appendices 1 and 2 to the Law on Environmental Pollution Tax, the draft of which was submitted to the Parliament on 6 July 2019.</p>				<p>pollution from mobile sources is changed;</p> <p>3) The list of emissions from stationary sources and the applicable tax rates are reviewed, taking into account the environmental impact of pollutants, their harmfulness, emission standardization requirements and their limit values, national and international commitments to reduce environmental pollution and pollution reduction costs. Stricter liability and a higher tax are imposed for undeclared (concealed) pollutants emitted from stationary pollution sources in excess of the standards;</p> <p>4) Different tax rates are set for recyclable and non-recyclable packaging;</p> <p>5) Simpler and clearer procedures for the administration, payment and declaration of environmental pollution taxes are established</p>	<p>EC), a draft amendment to the Law on Environmental Pollution Tax is submitted to the Parliament, which sets higher tax rates for environment pollution from stationery pollution sources, rates for removal of non-dangerous waste in landfills, and proposes to increase tariffs for non-recyclable packages by several times. This amendment seeks to encourage economic operators to invest in low-emission technologies, waste prevention, reduction and recycling. More effective economic measures to reduce air, water and soil pollution are also proposed. In addition, it is proposed to phase out subsidies and tax incentives that do not contribute to the waste reduction targets. The consideration of these amendments in the Seimas is planned for 2020.</p> <p>On 28 January 2020, the Parliament has adopted the Law Amending the Law on Environmental Pollution Tax, which, starting from the year 2021, increase tax rates for environmental pollution from stationary pollution sources, increase fines (sanctions) for pollution exceeding the norms and pollution without a</p>
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					mandatory pollution permit, thus promoting pollution prevention and investment in less polluting technologies
<p>1.6. Prepare the draft Law on Car Pollution Tax of the Republic of Lithuania and submit it to the Seimas (Government program implementation plan action 01 . 05 . 03 . 16 - vehicle environmental impact assessment and provision of proposals (measures) to reduce it)</p>	<p>An economic impact measure to encourage the purchase of cleaner vehicles emitting less pollutants and increase the use of carbon-neutral cars that do not emit carbon dioxide (hereinafter referred to as CO₂), thus reducing air pollution and CO₂ emissions; broadened tax base by shifting to taxing sources, the taxation of which damages growth in a lesser way.</p>	<p>2019 IV quarter - 2020 II quarter</p>	<p>MoE</p>	<p>High It is planned to adopt the Law on Car Pollution Tax together with 17 December 2019 Law of the Republic of Lithuania on Approval of Financial Indicators of the State Budget and Municipal Budgets for 2020 No. XIII-2695, 2019 IV quarter, which will Enter legal force from 1 July 2020. The car pollution tax will encourage buyers who plan to purchase new or used M1 and N1 category vehicles imported to Lithuania or change the owner of the car - to purchase fewer polluting cars, as the amount of the tax will depend on CO₂ emissions and type of fuel. In order to maximize the impact on consumer behaviour - to encourage the purchase of the least polluting car, starting from 1 July 2020, during the technical inspection of cars registered in Lithuania, a user fee</p>	<p>Implemented. On 17 December 2019, the Parliament of the Republic of Lithuania adopted the Law of the Republic of Lithuania on the Registration Tax of Motor Vehicles, which aims to reduce emissions of pollutants on main and regional roads (highways), as well as emissions of particulate matter and CO₂ emissions from light vehicles (M1 and N1 category). The implementation of this measure will contribute to the achievement of EU and national targets for the reduction of air pollution and greenhouse gas emissions in the transport sector. The amount of the tax applied for the first registration of a vehicle in the Republic of Lithuania and each time the owner of the vehicle changes will depend on the vehicle's CO₂ emissions and the type of fuel used (diesel, petrol, gas), with diesel vehicles being taxed higher than petrol and gas vehicles. In order to encourage natural persons to give up polluting cars, the Minister of</p>

				<p>(annual, paid during the technical inspection) will also be applied. The tax will be accompanied by measures to promote low-emission cars from the Climate change special program (EUR 30 million) and the revenue from this tax.</p>	<p>Environment of the Republic of Lithuania, with his 11 October 2019 Order No. D1-605 "On the approval of the description of the procedure for the promotion of compensatory allowances for natural persons for the purchase of less polluting mobility equipment" establishes the procedure for the promotion of compensatory allowances for natural persons for the purchase of less polluting mobility equipment equal to a compensation of 1000 Euro, to persons who purchase less polluting non-diesel operated mobility measures, that meets the conditions laid down for receiving the benefit provided. EUR 30 million is planned to be used for this purpose in in the Climate change program. This opportunity was used by 225 individuals from 4 November 2019 to 31 December 2019.</p>
<p>1.7. Introduce a mandatory builder (construction worker) ID card and install an information system</p>	<p>The builder's safety identification code (hereinafter - SID code) will ensure real accounting of working time, reducing the possibility of not declaring part of the working time and wages;</p>	<p>2020 IV quarter.</p>	<p>Ministry of Social Security and Labour of the Republic of Lithuania (hereinafter - MoSSaL)</p>	<p>High According to different assessments of the country's institutions, in the field of construction, approximately EUR 500-700 mln. of income is not included (not accounted for) in the field of</p>	<p>Being implemented. The draft project of a Law on introducing Article 22 ¹ and changing the name of section 4 of the Law on Construction of the Republic of Lithuania No. I-1240 is currently considered in the Parliament environment protection committee.</p>

	real preconditions for control of occupational safety (and environmental safety)			construction (building). It is expected that the mandatory SID code will encourage legal employment of 22-23 thousand people working in shadow economy. It is also expected that about EUR 200 million could be pulled out of the shadow economy per year.	
1.8. Examine the possibility of implementing a centralized marketplace accounting information system (hereinafter - CTAIS)	To ensure the traceability, safety and quality of food products sold in the markets, the quantitative accounting of the products sold, as during the trade in some meat, vegetable and fruit products (in the markets), a part of the income of the business is not included in accountancy (not accounted for).	2019 III Quarter.	Ministry of Agriculture of the Republic of Lithuania (hereinafter - MoA)	Average The introduction of practical operation of CTAIS in the fourth quarter of 2020 will improve tax compliance	Implemented. During the 10 February 2020 meeting of the Government, a decision was made not to create a new information system administered by the state, but to introduce mandatory inclusion of the amounts of sold foodstuffs and income in accountancy starting 1 January 2021, through the State Tax Inspectorate under the Ministry of Finances of the Republic of Lithuania i.MAS subsystem - i.APS - and to make the State Tax Inspectorate and MoA responsible for the implementation of the process.
1.9. Introduce mandatory declaration of vehicle transactions and implement a centralized	The aim is to prevent the conclusion of fictitious contracts in the field of vehicle trade, to enable control authorities to identify the real sellers (resellers) and owners of	2020 IV quarter.	Ministry of the Interior of the Republic of Lithuania	High The proposed mechanism would act as an effective measure in combating the shadow trade in the cars	Being implemented. Seimas of the Republic of Lithuania on 28 January 2020 has approved after the submission the drafts of the Law on Amendment of the Law of Republic of Lithuania

accounting system for transport owners	vehicles and to ensure the inevitability of the implementation of their tax liabilities.				on Road Traffic Safety No. VIII-2043 (Articles 1, 20 and 27) and the Law Amending Articles 589 and 611 of the Code of Administrative Offenses of the Republic of Lithuania. The adoption of projects is planned for the spring session of the Seimas in 2020
1.10. Improve the control system for vehicles unfit for use and their parts	Legislative provisions are planned for to determine when vehicles can be considered as waste	2019 IV quarter.	MoE	Low Following the adoption of the provisions of the Law on Waste Management of the Republic of Lithuania, a positive impact on the vehicle and their waste management sector is expected, as the import of vehicles unfit for operation without dismantling permits from other countries would decrease. Proper and safe waste management and financing of such waste management would be ensured	Implemented. A draft law amending the Law on Waste Management was prepared and submitted to the Seimas, which sets out the conditions (criteria) for vehicles, according to which vehicles could be recognized as unfit for operation (end-of-life) vehicles (hereinafter - ENTP), i.e. when such vehicles would be considered waste. This would be one of the measures to help the institutions, in accordance with their competence, to ensure the proper management of such waste in the Republic of Lithuania and to strengthen the control of ENTP imports from other countries. The law is expected to be adopted at the spring Parliament session of 2020.
1.11. Amendment of the provisions of the description of the peculiarities of work	The aim is to clarify the provisions of the description of the peculiarities of working	2019 IV quarter.	MoT	Average The provision of data by the transport companies to the system of the	Implemented. A 30 October 2019 resolution of the Government of Republic of Lithuania No. 1083 has been

<p>and rest time in the field of economic activities, relating to the provision of data on working and rest time for road transport drivers.</p>	<p>time and rest time in the field of economic activities, which are related to the provision of data on work and rest regime of road transport drivers and to establish that all data transferred by road transport companies from vehicles or driver cards must be provided to the Lithuanian transport safety administration in accordance with its set procedures.</p>			<p>Lithuanian Transport Safety Administration and its storage in the system for 3 years, it will be ensured that the salary paid to drivers is included in the accounting according to the time actually worked, including proper payment for night work and overtime. Through the interface, these data will be available to the State Labour Inspectorate, which will be able to check whether the activities declared in the timesheets correspond to the actual ones recorded by the digital tachograph and the driver card. It will also be possible to check that drivers are working legally in transport companies. In 2020 it is planned to fully automate the system in order to directly check the violations of companies and to select the riskiest companies that do not provide data for inspections.</p>	<p>adopted "On the amendment of the 21 June 2017 resolution of the Government of Republic of Lithuania No. 396 "On the implementation of the labour code of the Republic of Lithuania", with which the List of Working and rest time peculiarities in economic fields of activities, which regulates the working and rest time regime of road transport drivers and working time accountancies, has been changed. Taking this into account, the Lithuanian Transport Safety Administration has prepared a Description of the procedure for electronic exchange of information between economic entities engaged in road transport activities and the Lithuanian Transport Safety Administration, according to which starting on 1 July 2020, all owners of the country's road vehicles using digital tachographs will be required to provide readable data from digital tachographs and driver cards to the common state information system for monitoring and information named "Vektra".</p>
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2 Objective. Address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system.

(Structural reform of social insurance (pensions) is being implemented ¹)						
Indicators		2016	2017	2018	2019	2020
<i>In view of the growing economy and the growing wage fund, the growth of the indexed average old-age pension, percent. (compared to 2016)</i>	<i>Plan</i>	–	7.3	14.0	21.0	27.5
	<i>Fact</i>	0	12.6	25.1	34.9	–
<i>Proportion of people at risk of poverty or social exclusion</i>	<i>Plan</i>	29.3	29.3	27.4	26.0	24.0
	<i>Fact</i>	30.1	29.6	28.3	–	–
<i>Income distribution coefficient</i>	<i>Plan</i>	7.5	7.5	6.8	6	5.2
	<i>Fact</i>	7.1	7.3	7.1	–	–
<i>Tax wedge (for employees)</i>	<i>Plan</i>	0.5 of the average salary (hereinafter - VDU) - 36.5 percent. 1 VDU - 41.2 percent. 1.67 VDU - 42 percent.	0.5 VDU - 34 percent. 1 VDU - 40.8 percent. 1.67 VDU - 42 percent.	0.5 VDU - 33.4 percent. 1 VDU - 41.2 percent. 1.67 VDU - 42 percent.	0.5 VDU - 31.6 percent. 1 VDU - 37.5 percent. 1.67 VDU - 42 percent.	0.5 VDU - 29.3 percent. 1 VDU - 36.8 percent. 1.67 VDU - 42 percent.
	<i>Fact</i>	0.5 VDU - 36.5 percent. 1 VDU - 41.2 percent. 1.67 VDU - 42 percent.	0.5 VDU - 34 percent. 1 VDU - 40.8 percent. 1.67 VDU - 42 percent.	0.5 VDU - 33.5 percent. 1 VDU - 41.2 percent. 1.67 VDU - 42 percent.	–	–

Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the EU Council recommendation	Implementation.
<p>2.1. Ensure a consistent increase in social security pensions in line with the growing economy and the growing wage fund, and bring the minimum social insurance old-age and invalidity pensions closer to the amount of minimum consumption needs. (the existing measure 6 of task 4.3.3 of the Government program implementation plan is being revised)</p>	<p>Pension growth is projected in line with the increase in wage fund. From 2019 pensions are indexed at 7.63 percent, it is planned that in 2020 pensions will grow by 7.86 percent. The aim is for the low pension premium threshold to be increased to be equal to 1 minimum consumption needs amount.</p>	<p>2020 III Quarter.</p>	<p>MoSSaL, MoF</p>	<p>Average Increasing pension adequacy and reducing poverty and social exclusion by indexing social security pensions and increasing pension premiums</p>	<p>Implemented. Pensions indexed; low pension premium threshold increased to be equal to 1 minimum consumption needs amount equal to EUR 257.</p>
<p>2.2. Ensure consistent and adequate growth of state-subsidized incomes (This measure is not included in the Government program implementation plan, the measure is provided as Measure 5 of Task 1.1.2 of the Government program implementation plan)</p>	<p>The amount of state-subsidized income (122 euros) will be increased to 6 percent.</p>	<p>2020 III Quarter.</p>	<p>MoSSaL, MoF</p>	<p>Average Reduction of poverty and social exclusion by increasing the amount of state-subsidized income, which affects the allocation and size of social support to pupils, social allowances, compensations for heating, hot and drinking water.</p>	<p>Implemented. State-subsidized income increased to € 125</p>
<p>2.3. To increase the minimum monthly salary (hereinafter -</p>	<p>The aim is to bring the ratio of MMS to average wages (VDU) in line with</p>	<p>2020 II quarter</p>	<p>MoSSaL</p>	<p>Average Reducing income inequality and poverty by increasing</p>	<p>Implemented.</p>

<p>MMS) in accordance with the development indicators and trends of the country's economy</p>	<p>the average of a quarter of the EU Member states with the highest ratio of MMS to VDU, based on data published by the EU Statistical Council for the last three years. 2019 The ratio of MMS to VDU is 43%, in 2020 - 43.8 percent. The introduction of The MMS will increase from EUR 555 to EUR 607</p>			<p>the minimum monthly salary. The establishment of an MMS and a minimum hourly wage encourages collective bargaining and the application of the principle of social dialogue</p>	<p>The introduction of The MMS increased from EUR 555 to EUR 607</p>
<p>2.4. Creating new complex services for the family as close as possible to the family's place of residence in municipalities, helping families to overcome crises and reconcile family and work responsibilities (measure 6 of task 4.3.3 of the Government program implementation plan)</p>	<p>The aim is for all families to have access to basic family-building services as close as possible to their place of residence (in all municipalities) and in the shortest possible time, providing the necessary support to strengthen the family's ability to solve problems by itself, strengthen their possibilities to create a healthy and harmonious environment in their families. The availability of services will be monitored annually</p>	<p>2020 I quarter</p>	<p>MoSSaL The Ministry of Education, Science and Sports of the Republic of Lithuania (hereinafter - MoESS), Ministry of Culture of the Republic of Lithuania (hereinafter - MoC), Ministry of Health of the Republic of Lithuania (hereinafter - MoH),</p>	<p>Average The provision of the most important family strengthening services will directly contribute to the reduction of regional differences and the improvement of the quality of life</p>	<p>Being implemented. Municipalities must ensure the availability of services; The MoSSaL will monitor the availability of services. In order to provide more access to educational services, the MoESS further encouraged municipalities to develop all-day school services in 2019, taking into account the needs of parents³. In these schools, students spend more time than in a usual school, combining formal and non-formal education of children, providing individual learning and other assistance, and organizing meals throughout the day. In 2019 - 4 percent of pupils attended full-time school (5.7% in 2018). Attendance decreased</p>

³ The promotion of all-day school services started in 2018, after the municipalities were provided with recommendations for their organization and the pilot project was initiated.

			Ministry of Justice of the Republic of Lithuania		<p>due to the end of 2018-2019 MoESS initiated all-day school operation test, and all-day school activities are continued at the initiative of municipalities. In municipalities, all-day school groups are established when parents need it.</p> <p>The Government of the Republic of Lithuania, with its 19 June 2019 resolution No. 618 "On the approval of the package of basic services for families", has approved the package of Basic services for families, which includes psycho-social, social skill training and support, child care and education, health, education, socio-cultural services, which ensure compulsory help, aimed at the family's skills to independently solve their arising problems, strengthen and conclude possibilities to create a safe, healthy and harmonious environment in their family. The package of basic services for the family also includes educational services: non-formal education of children, educational assistance, pre-school education. The availability of these services in municipalities is monitored annually</p>
2.5. Development of forms of child care (supervision)	The aim is to ensure a harmonious environment and conditions for each	2020 IV quarter.	MoSSaL	Average Providing alternative childcare to institutional	Being implemented. The development of new forms of child care in the community

<p>alternative to institutional care (measure 1 of task 1.2.2 of the Government program implementation plan)</p>	<p>child (and a disabled child) to grow up in their own family, and for children left without parental care to grow up in a foster, adoptive family or group family and receive help in the community.</p> <p>Until 2020 there should be no institutional orphanages left.</p> <p>The development of new forms of child care in the community is implemented: on-call guardians are being trained, care centres are being set up with the aim of mobilizing guardians, providing them with assistance, and organizing the attraction and training of new guardians. The aim is to ensure that the services of care centres are continuous, helping the child to remain in non-institutional care.</p> <p>From 2019 until middle of 2020 general and specialized training for community child care staff will be provided.</p> <p>60 care centres must be completed by the end of the year 2019.</p> <p>Until the end of 2020, there should be 83</p>			<p>care will contribute to reducing social exclusion</p>	<p>continues: on-call guardians are trained, care centres are established. In 2019, at the end of the year, there were 66 care centres and 24 mobile teams</p>
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	community orphanages and 79 children's day care centres established - with the development of new or existing children's day care centres				
2.6. Improve the legal framework for child benefits payment by ensuring a consistent increase in child benefits ("child money"). (measure 5 of task 1.2.1 of the Government program implementation plan)	From 2020 it is planned to increase the amount of the universal child benefit to 60 euros per month, and the amount of the additional child benefit to 40 euros	2020 I quarter	MoSSaL	High From 1 January 2019 the increased child benefit will contribute to reducing the at-risk-of-poverty rate among children by 4.3 p.p. and from 1 January 2020 - 2.5 p.p	Implemented. The amount of the universal child benefit has been increased to EUR 60 per month, and the amount of the additional child benefit has been increased to EUR 40.
2.7. Improving the system of integration of persons with disabilities in the fields of education, culture, social security and employment and creation and development of new community services for the disabled and their family (sheltered housing, social rehabilitation after long-term institutional care or hospitalization, personal assistant, independent living, respite services), promoting the	The aim is to ensure the provision of services to the disabled person and his or her family in the community, so that individuals participate fully and effectively in society on an equal basis with others. From 2019 persons without determined special needs cannot enter social care institutions; alternative services to institutional care are being developed under institutional restructuring plans. Until the end of 2020, the following services will be developed and provided:	2020 IV quarter.	MoSSaL MoESS MoC MoH	Average Increased access to employment and services for people with disabilities in the community are created, thus reducing poverty and social exclusion	Being implemented. In 2019, pilot projects for the provision of personal assistant services were carried out, which will cover almost all municipalities, except Širvintos district and Neringa in 2020. On the 28 of January 2020 The President of the Association of Lithuanian Municipalities, the Minister of Health, the Minister of Education, Science and Sports and the President of the Lithuanian Forum of Disability Organizations signed a memorandum "Regarding access to education and health care institutions." The purpose of this memorandum is to ensure that in 2020, Lithuanian municipalities, together with the

independence of people with disabilities (Measure 4 of task 1.2.2 and Measure 4 of task 1.1.4 of the Government program implementation plan)	assistance in employment, social workshops, sheltered housing and temporary respite services (as of 2019, the service of a personal assistant is already provided in 43 municipalities). Until the end of 2020, additional 16 group living homes for adults with intellectual disabilities or mental disorders are planned to be established (there are currently 28 group living homes).				above-mentioned ministries, would concentrate their efforts and undertake to adapt at least one general education school and one health care institution to people with disabilities during every new year. Adaptation would include things like access to the facility, accessible indoor environment, specialist services, special educational facilities and more.
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2 Recommendation. Improve quality and efficiency at all education and training levels, including adult learning. Increase the quality, affordability and efficiency of the healthcare system.

3 Objective. Improve quality and efficiency at all education and training levels, including adult learning. (Structural reform of education is being implemented ¹)							
Indicators		2016	2017	2018	2019	2020	2021
<i>Proportion of children aged 4–6 attending educational institutions, percent</i>	<i>Plan</i>	90.8	92	93	94	95	95
	<i>Fact</i>	91.4	91.9	91.3	–	–	–
<i>Proportion of the population aged 25–64 who participated in education and vocational training activities in the last 4 weeks (level of lifelong learning), percent</i>	<i>Plan</i>	6	6.6	7.4	8.2	9	9.8
	<i>Fact</i>	6	5.9	6.6	–	–	–
<i>Pupils with an achievement level of at least 3 (out of 6) according to PISA Program for International Student Assessment), part, international survey of 15-year-olds aimed at assessing their knowledge and skills, percent. (minimum percentage of 3 subject areas) (survey is conducted every 3 years)</i>	<i>Plan</i>	45.6		45.6	48	49	50
	<i>Fact</i>	45.6		49.5			
<i>Proportion of persons pursuing secondary education in vocational schools, percent</i>	<i>Plan</i>	26.7	29.1	33.4	33.8	34.2	34.6
	<i>Fact</i>	27.2	27.4	–	–	–	–

Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the Council recommendation	Implementation.
<p>3.1. Create a system of quality assessment (external and internal) of pre-school and pre-primary education (Measure 4 of task 2.3.5 of the Government Program implementation Plan)</p>	<p>The methodology of self-assessment of the quality of activities of pre-school and pre-primary education programs was updated and the methodology of external evaluation was developed, 40 self-assessment consultants and 60 external evaluators were trained. The aim of this measure is to develop methodological tools that would create appropriate conditions for the development of accessibility and high-quality pre-school and pre-primary education of children. The results of the activities will form the basis for the development of a system for monitoring and external evaluation of pre-school and pre-primary education providing schools.</p>	<p>2019 II quarter</p>	<p>MoESS</p>	<p>High A developed system of quality assessment (external and internal) of pre-school and pre-primary education will create effective conditions for improving the activities of schools (by applying specific indicators, the school will be able to assess the quality of different fields of activities), promote better quality of education and better student achievements.</p>	<p>Being implemented. During the implementation of the EU Structural Funds (hereinafter - SF) project “Improvement and development of non-formal education, pre-school, pre-primary and general education evaluation and self-assessment”, methodologies for quality self-evaluation and external evaluation of pre-school and pre-primary education providing schools are being developed. The aim is to create effective conditions for the improvement of school activities (by applying specific indicators, the school will be able to assess the quality of various areas of activity), to promote the pursuit of better quality of education and better student achievements. Following discussions with the educational community on evaluation needs, a technical specification for methodologies for quality self-assessment and external evaluation of pre-school and pre-primary education providing schools is being developed on the basis of good foreign practice and is now being coordinated with the</p>

					European Social Fund Agency. It is planned to sign the service provision contract soon and to have the initial version of the methodology in 2020 I quarter. It is planned that after the selection and training of 40 self-assessment consultants and 60 external evaluators, testing of these methodologies will be carried out in 20 schools implementing pre-school and pre-primary education programs. The final version of the methodologies is planned to be completed in October 2021 (after piloted).
3.2. Update pre-primary, primary, basic and upper secondary education curricula and prepare descriptions of educational outcomes (measure 3 of task 2.1.1.of the Government Program implementation Plan)	Updated curriculum to include sustainable development, creativity, emotional intelligence, collaboration, healthy living, entrepreneurship, financial literacy, modern reading and writing, including information and media literacy	2020 II quarter	MoESS	High The renewed updated curriculum will address more to the needs and capacities of students and will focus on the development of student competences that are necessary for their successful personal, academic and professional lives.	Being implemented. Guidelines for Updating the National Curriculum” have been adopted in agreement with the educational community. These guidelines identify areas for change in the National Curriculum: objectives, learning outcomes (competences), learning content and changes in the assessment of student achievements. Curriculum are currently being renewed, bringing together groups of researches and teachers to develop draft curricula for specific subjects and submit them for consideration. Coordinating groups for Curriculum monitoring and Curriculum updating activities

					<p>have been set up, work is currently being planned, requirements for the developers of competence descriptions are being prepared, and meetings with the subject communities are being planned.</p> <p>The EC Structural Reform Support project “Strengthening the Role of Schools Leaders in Implementing of the Renewed Curriculum” has been approved, and detailed project activities are currently being planned with the European Commission.</p>
<p>3.3. Develop activities focused on the promotion of lifelong learning and provide professional career planning services, with a special focus on people with disabilities and a clear identification of their opportunities, create and implement a mechanism. (measure 2 of task 2.1.3. of the Government Program Implementation Plan)</p>	<p>1. The procedure for Providing Vocational Guidance has been prepared and approved. 2. The mechanism of financing non-formal adult education programs has been renewed and implemented, facilitating the inclusion of municipalities in the financing of the programs</p>	<p>2020 II quarter</p>	<p>MoESS</p>	<p>Average The development of activities aimed at lifelong learning will create favourable conditions for improving the quality and efficiency of adult education, respond to the country's demographic trends in order to keep older people in the labour market, as well as create conditions for vocational education and participation in the labour market for people with disabilities.</p>	<p>Being implemented. The professional orientation system is being updated to balance and ensure the provision of career guidance services to all interested groups. The aim is to review the services currently provided in the system, to refine the service packages that need to be provided in schools. In addition, based on the experience of "one stop shops" in Europe, it is planned to establish Regional career centres in the regions, which would also provide career guidance services and organize professional activities. In order to implement the mentioned changes, a draft description of the Procedure for Providing Vocational Guidance is being prepared and is expected</p>

					<p>to be approved in 2020. Discussions have also been launched on strengthening the adult part of the career guidance system.</p> <p>In order to promote participation in lifelong learning activities, it is planned to strengthen the capacity of municipalities to plan and implement activities at the regional level (early 2020), as well as discussions with interested ministries on the establishment of a common adult education system, which would include learning possibilities for all groups, have been started.</p>
<p>3.4. Reorganize and modernize the network of vocational education and training institutions by adapting the physical and information environment for the disabled persons in order to meet the needs of the labour market and ensure lifelong learning opportunities (measure 2 of task 2.2.4 of the Government Program Implementation Plan)</p>	<p>1. 90 percent of vocational education and training institutions will participate in EU SF financed projects - “Development of Sectoral Practical training Centres” and “Development of Infrastructure Necessary for Quality Implementation of Basic Vocational Education Modules in Vocational Education Institutions”, the implementation of which will adapt the physical and information environment for the disabled.</p>	<p>2019 IV quarter.</p>	<p>MoESS</p>	<p>Average The aim is to ensure that vocational education and training services meet the needs of the regions - to train specialists which are needed for the country's labour market. This will ensure a more rational use of funds allocated for vocational education, training and the training of employees that meet the needs of employers. Duplicate programs will be specialized and eliminated to ensure high quality education.</p>	<p>Implemented. During the implementation of EU SF financed projects – “Sectoral Practical training Centre Development” and “Development of Infrastructure, Needed for the High Quality Implementation of Basic Vocational Education Modules in Vocational Education Institutions”, the aim is to adapt the physical and informational environment for disabled people, so that the labour market needs would be met and lifelong learning possibilities would be ensured. On the 17 of May 2018, an invitation was submitted to provide applications for the EU SF 09.1.2-CPVA-K-722</p>

	<p>2. In 2019, 24 Sectoral Qualifications standards will be adopted.</p> <p>3. Starting from the I quarter of 2020, the project of practical training of vocational education students in a real workplace will be implemented (A financing conditions description is prepared during the IV quarter of 2019 for the EU SF financed project (2020, I quarter).</p> <p>4. 25 percent of duplicating vocational education programs in vocational education institutions in large cities have been terminated.</p>				<p>measure “Development of Vocational Education Infrastructure” until 29 May. Currently, 36 projects have been selected for approval in the near future.</p> <p>A project to restructure the network of vocational schools is currently being prepared. In 2019, 6 vocational education and training institutions were merged</p>
<p>3.5. To develop a study financing methodology based on contractual relations with higher education institutions (Measure 4 of task 2.3.4 of the Government Program Implementation Plan)</p>	<p>A draft law amending the Law on Higher Education and Research of the Republic of Lithuania has been submitted. It is planned to: establish free bachelor studies; introduce funding for state higher education institutions to promote the progress of activities, which would be allocated based on the results of the implementation of agreements with state</p>	<p>2018 IV quarter.</p>	<p>MoESS</p>	<p>High</p> <p>The reorganization of the basic funding of studies (allocated to cover the cost of studies) will allow concentrating efforts during the study period not on maintaining the number of students, but on improving the quality of studies. There will be no incentive to distort the internal quality assurance systems of higher education institutions. Funds issued per state-funded student will increase. The emergence of</p>	<p>Being implemented.</p> <p>In order to restructure the basic funding of studies (allocated to cover the cost of studies), a draft law amending the Law on Higher Education and researchs was submitted to the Parliament. It is planned to: establish free bachelor studies; introduce funding for state higher education institutions to promote the progress of activities, which would be allocated based on the results of the implementation of agreements with state higher</p>

	<p>higher education institutions; to reorganize the allocation of funds to finance studies and to provide for a permissible limit of “drop-out” of students, when the funding would not be reduced. With the adoption of this law, the opportunities for individuals to study with state funds will be developed. It is likely that the implementation of the proposed provisions will change the ratio of those admitted to state-funded and non-state-funded study places from 60/40 (current) to 80/20 (including those admitted to non-state higher education institutions).</p>			<p>funding to promote the progress of state higher education institutions will create additional motivation to improve the quality of studies and strengthen scientific competence, will allow to coordinate the activities of higher education institutions with national higher education development goals.</p>	<p>education institutions; to reorganize the allocation of funds to finance studies and to provide for a permissible limit of “drop-out” of students, when the funding would not be reduced. The decision of the Government of the Republic of Lithuania to allocate EUR 4 million for free bachelor studies in the draft budget for 2020 has been adopted. The adoption of the law amending the Law on Higher Education and Research is currently awaited in the Parliament.</p>
<p>3.6. Ensure continuous maintenance of the qualification level of employees, their professional mobility and ability to quickly reorient to the activities of another economic sector, enabling employees of companies to receive the highest quality special training</p>	<p>1. On-the-job training in the form of apprenticeships shall be promoted in the implementation of the 2014-2020 measure No. 09.4.3-ESFA-K-827 of the 9 priority of the EU funds investment action program "Public education and increase of human resources potential" -</p>	<p>2020 IV quarter.</p>	<p>Ministry of Economy and Innovation of the Republic of Lithuania (hereinafter - MoEI)</p>	<p>Average More favourable conditions are created to improve the availability of adult learning for employees, in order to increase the scope and efficiency of training for employees of companies. Opportunities are created for company employees to improve their qualifications and acquire competencies</p>	<p>Being implemented. By implementing of the priority No. 9 of EU Funds investment operational Program for 2014–2020 “Public education and increasing the potential of human resources” measures, more favourable conditions are created to improve the availability of adult learning for employees, in order to increase the scope and efficiency of</p>

	<p>"Apprenticeship and qualification improvement at the job", with the employees, who have attended ESF trainings, providing qualification or competence equalling to 3200.</p> <p>2. The availability of special training for enterprises for the development of sectoral competencies is promoted by implementing of the priority No. 9 of EU Funds investment operational Program for 2014–2020 “Public education and increasing the potential of human resources” measure 09.4.3-ESFA-K-814 “Competences LT” and continuous selection global dotation measure no. 09.4.3-IVG-T-813 "Competence voucher", employees who participated in ESF training, granting a qualification or competence equalling to 20 500</p>			<p>not only in training classes, but also in workplaces</p>	<p>training for employees of companies, correspondingly:</p> <ul style="list-style-type: none"> through the promotion of on-the-job training in the form of apprenticeships, the implementation of the measure "Apprenticeship and qualification improvement at the job" achieved results - the number of employees who participated in the European Social Fund training leading to a qualification or competence exceeded 3.1 thousand employees (the actual value of achieving the indicator at the end of 2019); through the promotion of the availability of special training for enterprises for the development of sectoral competencies, implementing the measure “Competences LT” and the continuous selection global grant measure “Competences voucher”, the number of employees who participated in ESF trainings providing qualifications or competencies amounted to almost 15 thousand employees (the actual value of achieving the indicator at the end of 2019). <p>2014-2020 programming period EU funds finances will be invested until the end of 2023</p>
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4 Objective. Increase the quality, affordability and efficiency of the healthcare system.(Implement structural health care reform¹)

Indicators		2016	2017	2018	2019	2020
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<i>Voluntary health care payment programs and household direct expenditure as a percentage from all health care costs</i>	<i>Plan</i>	33.1	30	28	26	25
	<i>Fact</i>	33.2	33.3	31.6	–	–
<i>Average patient co-payment per reimbursable prescription</i>	<i>Plan</i>	-	-	4.5	4.0	3.2
	<i>Fact</i>	5.1	5.0	3.9	3.2	–
<i>According to the World Corruption Barometer, the percentage of respondents who gave bribes in medical institutions decreased</i>	<i>Plan</i>	20	20	18	14	10
	<i>Fact</i>	24	24	24	–	–
<i>Number of active treatment beds per 100 thousand population</i>	<i>Plan</i>	611.8	554.2	535	515	460
	<i>Fact</i>	611.8	559.23	547.20	–	–
<i>Healthy life expectancy of men (from birth), in years</i>	<i>Plan</i>	58	57.5	58	58.6	58.7
	<i>Fact</i>	56.2	56.4	–	–	–
<i>Healthy life expectancy of women (from birth), in years</i>	<i>Plan</i>	62	62	62.3	62.6	62.8
	<i>Fact</i>	59.4	59.8	–	–	–
Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the Council recommendation	Implementation.	
4.1. Implement a system of quality indicators for personal health care institutions (Measure of the Government program implementation plan No. 01-03-03-06)	Quality indicators of personal health care institutions are being introduced, and the monitoring system is being improved	2020 IV quarter.	MoH	Average Conditions are created for analysing and improving the results of the health care system	Being implemented. During October 2019, an application was submitted to the EC for expert assistance under the proposed measures on support for structural reforms in the development of a system for monitoring the quality indicators of health care institutions	
4.2. Implement comprehensive measures to promote the rational use of medicines (Government program implementation plan	Dissemination of information to the population on the rational prescription and use of medicines, based on the example of the practice of rational use of medicines in the Kingdom of Sweden, a	2020 III Quarter.	MoH	Average The rational use of medicines, their availability and affordability are promoted. Improving patient health literacy is also encouraged	Being implemented. Starting from 11 September 2019, MoH has launched a project to develop a “Smart list of medicines” (hereinafter - the List). The estimated duration of the “Smart list of medicines” preparation and the	

measure No. 01-03-04-07)	"Wise list of medicines" has been compiled				dissemination of information about it is 24 months. The list is expected to be completed by the end of III quarter of 2020. A public procurement specification has been prepared for the preparation of the "Smart list of medicines".
<p>4.3. Reduce the cost of medicines for the low-income population and the elderly (aged 75+) by reimbursing the full cost of medicine by promoting the rational use of medicines (Government program implementation plan measure No. 01-01-02-04)</p>	<p>Improving the availability of medicines with added therapeutic benefits for low-income people and the elderly (aged 75+) by developing a separate model for covering the financial burden of this group of patients on prescription medicines. Prepared draft amendments for the Law on health insurance of the Republic of Lithuania.</p>	2020 II quarter	MoH	<p>Average Improving the availability and affordability of medicines for the most financially vulnerable groups</p>	<p>Implemented. On 17 October 2019, the Law on amending articles 2, 11 and 15 of the Law on social insurance of the Republic No. I-1343, has been accepted. The purpose of the Law is to create conditions for receiving reimbursable medicines and reimbursable medical aids without paying the patient's surcharge (premium) to persons who have reached the retirement age established in the Law on Social Insurance Pensions of the Republic of Lithuania or to disabled persons recognized as entitled to social insurance in the previous month, according to the Law of the Republic of Lithuania on disables person's social integration, who received the amount of pensions (together with the pension supplement), social assistance pensions, state pensions, foreign state pensions, compensations for special working conditions and (or) insured income, as defined</p>

					in the Law on Social Insurance of the Republic of Lithuania, is less than 95% of the size of the minimum consumption needs size of the previous year, and to persons over 75 years of age. For these persons from 1 July 2020, the patient surcharge (premium) will be reimbursed in accordance with the procedure established by the Government.
<p>4.4. Develop digital health services for patients, healthcare institutions and professionals, and to increase the transparency, resilience, and surveillance of healthcare activities by eliminating opportunities for non-transparent activities. (task 3.3.4 of the Government program implementation plan “Transparency of the Health care system, implementation of anti-corruption measures”)</p>	<p>The Electronic Health Services and Collaboration Infrastructure Information System (hereinafter referred to as ESPBI IS) provides all citizens access to their health data. ESPBI IS is integrated with Online Patient Registration System (hereinafter referred to as IPR IS) which ensures equal rights and opportunities to book appointments for healthcare services. Besides, IPR IS is expected to ensure effective supervision and timely surveillance. Control institutions will be able to analyse the data related to waiting times for healthcare services and take the necessary decisions. To attain this objective, it is planned to:</p>	<p>2021 IV quarter (annually)</p>	<p>MoH</p>	<p>High With the full implementation of these digital health solutions, the availability and affordability of health care services will be improved and preconditions for non-transparent activities or abuse of office will be avoided.</p>	<p>Being implemented. Most of the activities have already been carried out: - integration of national eHealth system with Online Patient Registration System; - IPR IS portal solution developed; - IPR IS integration interfaces with HI IS developed; - healthcare institutions are enrolling and starting to use IPR IS.</p>

	<p>1. Enrol more healthcare institutions (hereinafter referred to as HI) to use portal solution for IPR IS. An integration of IPR IS with the ESPBI IS has been concluded (already all HIs can and are invited to use the developed portal solution). The portal solution is easy to use and no additional software is required in the workstations of professionals, except for a web browser.</p> <p>2. Enrol more HIs to use interface solution. IPR IS integration interfaces with HIs IS have been developed.</p> <p>3. HIs that are members of the Lithuanian National Health System are expected to start working on IPR IS during 2020–2021. By the end of 2021, we aim to have around 700 HIs enrolled.</p> <p>4. Analytics platform in regards to waiting times and provided services is expected to be fully in operation in 2021.</p> <p>5. Relevant decisions made on basis of the analysis of waiting times (2021).</p>				
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<p>4.5. Develop and adopt a legal act that will enable the selection of innovative and efficient service delivery models that will improve the quality and accessibility of health care for patients with two or more chronic non-communicable diseases</p>	<p>Improving the quality and accessibility of health care services for patients with chronic non-communicable diseases, while creating preconditions for the development of primary and specialized personal health care, public health care and social services and ensuring systematic cooperation</p>	<p>2019 IV quarter.</p>	<p>MoH</p>	<p>Average Preconditions are created for focusing on outpatient health care and strengthening prevention measures in cooperation with public health care providing institutions</p>	<p>Implemented. 13 January 2020 Order of the Minister of Health of the Republic of Lithuania No. V-45 "On the approval of the description of project financing conditions No. 1 for 2014-2020 European Union funds investment action program 8 priority "Social inclusion increase and fight against poverty" implementation measure No. 08.4.2-ESFA-K-616 "Health care quality and accessibility improvement of targeted groups of residents by implementing innovative and effective health care models" has approved the description of project financing conditions No. 1 for 2014-2020 European Union funds investment action program 8 priority "Social inclusion increase and fight against poverty" implementation measure No. 08.4.2-ESFA-K-616 "Health care quality and accessibility improvement of targeted groups of residents by implementing innovative and effective health care models". The aim of this measure is to select and test innovative and efficient service delivery models that will improve the quality and accessibility of outpatient care for patients with two or more</p>
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					chronic non-communicable diseases, which could be introduced at national level in the future.
4.6. Implement comprehensive measures to ensure a high level of implementation of early diagnosis programs for oncological diseases	Reducing health inequalities, morbidity and mortality rates and increasing healthy life expectancy	2020 II quarter	MoH	High Investment in disease prevention measures is increasing	Being implemented. Improving the organization and implementation of screening programs: 1. In 2019, the projects of transition to coordinated implementation of preventive programs were launched - "Increasing the efficiency of screening programs for oncological diseases in the Eastern region" (funding EUR 1.6 million) and "Increasing the efficiency of screening programs for oncological diseases in Central and Western Lithuania regions" (funding EUR 1.2 million). 2. Since 2019, the project "Increasing the efficiency and improving the quality of the services of the screening mammography program for breast cancer screening" is being implemented (funding - EUR 2 million). 3. Draft amendment projects to the financing program for the prevention of cervical malignancies paid from the budget of the Compulsory Health Insurance Fund and to the Methodology for the

					screening of the cervical pathology program.
4.7. Encourage the provision of comprehensive long-term care services so that as many personal health care (nursing) services as possible are provided on an outpatient basis (Measures of the Government program implementation plan No. 01-03-03-07)	Increasing patients' ability to stay in their home environment and maintain the highest possible level of independence while promoting community-based care	2020 IV quarter.	MoH	Average The availability of primary outpatient health care services is improved and the level of hospitalization of patients is reduced	Being implemented. A network of independent outpatient home care providers is being formed. This phase is planned to be implemented by 1 July 2020. The integration of the network of independent outpatient home care providers with social service providers is planned until 31 December 2020.
4.8. Ensure consistent and sustainable wage growth and improvement of working conditions for health workers	The aim is to Achieve the wage level of doctors at the beginning of the II half of 2020 to be at least 3 sizes the VDU of the country and for the nurses to reach 1,5 of the VDU of the country.	2020 IV quarter.	MoH	High Targeted investments are made in the human resources of the health care sector in order to maintain the optimal number of health care professionals in personal health care institutions, which is necessary to ensure the quality and safety of the provided services.	Being implemented. Starting 1 September 2019, the basic prices of personal health care services were indexed (increased) and additional budget funds of the Compulsory Health Insurance Fund have been allocated. During the months of September-November of 2019, the average (gross) salary of a doctor in a public institution amounted to EUR 2,609 and the average salary of a nurse to EUR 1,354 (in January – March of 2019, the average salary (gross) of a doctor amounted to EUR 2,305, and that of a nurse to EUR 1,203)

Recommendation 3. Focus investment-related economic policy on innovation, energy and resource efficiency, sustainable transport and energy interconnections, taking into account regional disparities. Stimulate productivity growth by improving the efficiency of public investment. Develop a coherent policy framework to support science-business cooperation and consolidate research and innovation implementing agencies.

5 Objective. Focus investment-related economic policy on innovation, energy and resource efficiency, sustainable transport and energy interconnections, taking into account regional disparities.						
Indicators		2017	2018	2019	2020	2021
Implementation of the gas interconnection Lithuania-Poland project, percent	<i>Plan</i>	15	37	65	86	100
	<i>Fact</i>	15	18	22	–	–
Part of the project of synchronization with the continental European electricity network (CEN) implemented, per cent.	<i>Plan</i>	30	35	40	45	50
	<i>Fact</i>	30	35	40	–	–
Total final energy savings since 2013, GWh	<i>Plan</i>	463	500	520	850	2300
	<i>Fact</i>	2624	2764	–	–	–
Annual amount of freight transported by all types of transport, mil. t	<i>Plan</i>	114.8	116.9	125.9	125.5	131.1
	<i>Fact</i>	136.6	146.5	157 (preliminary data)	–	–
Cargo handling in ports, mil. t	<i>Plan</i>	40 (2016)	44	46	48	52
	<i>Fact</i>	43.2	46.6	46.3	–	–
Reconstructed "Via Baltica" road, km	<i>Plan</i>	21,1 (2016)	34.21	11.53	20.73	5.0
	<i>Fact</i>	10.7	34.21	11.53	–	–
Increased passenger service capacity of Lithuanian airports, mil. passengers	<i>Plan</i>	4,53 (2016)	5.04	5.11	5.15	7.45
	<i>Fact</i>	5.2	6.2	6.5	–	–
Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the EU Council recommendation	Implementation.	
5.1. Implementation of the gas interconnection Lithuania-Poland	Capacities are being developed to transport up to 27 TWh of natural gas per year to the Baltic States, up to 22 TWh per	2020 III Quarter. ⁴	Ministry of Energy of the Republic of Lithuania	High By the integration into the common European gas market, the natural gas transmission system of	Being implemented. On 25 July 2019, a contract for the purchase of GIPL gas pipelines (worth EUR 26.4 million) was concluded. On 23	

⁴ The deadline for the implementation of the measure provided for in the Government Program Implementation Plan is III quarter of 2020, but this measure will be fully implemented by 2021. IV quarter.

<p>(GIPL) construction project (measure 2 of task 4.4.1 of the Government program implementation plan)</p>	<p>year to Poland, and in order for the Baltic gas markets to become an integral part of the common EU gas market</p>		<p>(hereinafter - MoE)</p>	<p>Lithuania and the Baltic States provide another alternative gas source, greater economic benefits and energy security for all the project partners, as well as allow the use of the liquefied natural gas terminal in Klaipeda for regional purposes. New conditions are being created for more competitive natural gas prices in the domestic market</p>	<p>December 2019, Lithuanian natural gas transmission system operator Amber Grid has signed an agreement with a consortium of UAB "Alvora" and "Šiaulių dujotiekio statyba" companies, which submitted the most economically advantageous tender in a public procurement process. An EUR 79.85 million (excl. VAT) worth transaction was signed, which will allow the works on this project of regional importance as early as in January 2020. The cost of the GIPL project has been reduced by EUR 30 million (or 22%) and will amount to about EUR 106 million euros. In 2019, 21.45 percent of project completion was achieved in the Lithuanian part of GIPL project (the planned indicator of 36% of GIPL project was not achieved due to longer-than-planned procurement procedures)</p>
<p>5.2. Synchronization with Continental European electricity network (KET) (task 5.2.2 of the Government program implementation plan)</p>	<p>Full integration of the Baltic energy systems and the electricity market into the European electricity system. Prior to IV quarter of 2020, a study of the implementation of a sub-</p>	<p>2020 IV quarter.⁵</p>	<p>MoE</p>	<p>High A sufficient level of energy security in Lithuania and the Baltic States and full integration into the EU energy market will be ensured by desynchronizing the electricity system from IPS /</p>	<p>Being implemented. In 2019, the following important steps in the implementation of the synchronization project were also carried out: • Isolated work test. 18-19 May 2019 Lithuanian</p>

⁵ The deadline for implementation of synchronization with the electricity networks of continental Europe is 2025. IV quarter.

	<p>marine high-voltage direct current (hereinafter - HVDC) cable laying and converter station installation was prepared and the contract works for the <i>LitPol Link</i> connection extension project were completed.</p>			<p>UPS and connecting it to the continental European electricity network for synchronous operation.</p>	<p>electricity transmission system operator LITGRID performed a test of part of the isolated operation of the Lithuanian electricity system and generators. The experiment was successful - according to the planned scenario, Kaunas Cogeneration Power Plant, part of Mažeikiai Power Plant, Kaunas HPP, Kruonis HAPP, Lithuanian Power plant unit 9 and DC converters "Nord Balt" and "LitPol Link" were separated into independent "islands".</p> <p>• Issuance of the ENTSO-E synchronization conditions catalogue. On 9 of May 2019, ENTSO-E Continental Europe Regional Group approved this list of synchronization conditions and the draft Agreement on the Conditions for Connecting the electricity systems of the Baltic States to the continental European electricity networks for synchronous operation (hereinafter referred to as the KET Connection Agreement). On the 15 of May 2019, the government has agreed to the essential terms of joining the KET contract. On 21 May 2019, the agreement was signed by the Lithuanian</p>
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					<p>electricity transmission system operator.</p> <p>On 27 of May 2019, ENTSO-E has informed about the entry into force of this agreement and the list of synchronization conditions.</p> <ul style="list-style-type: none"> • Agreement on desynchronization from IPS / UPS system. On 20 June 2019, a second agreement was signed between the Baltic States, Poland and the European Commission on the implementation of the synchronization of the Baltic electricity networks with the continental European electricity networks. • A study of the implementation of the HVDC sub-marine cable and converter station. On 2 October 2019, the coordinating committee of the Connecting Europe Facility (CEF) approved EUR 10.3 million to provide funding for the preparatory work for the construction of the "Harmony Link". <p>On 6 November 2019, a contract was signed for the preparation of the study for the "Harmony Link" sub-marine cable route.</p> <p>On 3 December 2019, the heads of Lithuanian and Polish</p>
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					transmission system operators signed an agreement on 10 million euro support for the "Harmony Link" offshore electricity connection. EUR 4 million has been allocated to Lithuania under this agreement. The total value of the Baltic synchronization project is about EUR 1.6 billion.
5.3. Improving energy efficiency (task 4.1.5 of the Government program implementation plan)	Buildings and public infrastructure are being renovated, rapid development of low-energy and energy-efficient industries through the introduction and acquisition of the latest and most environmentally friendly technologies and equipment is quick progress, the energy efficiency in the transport and energy sectors is improved, and a gradual transition to alternative fuels by 2020 will allow to save 11.67 TWh of energy throughout all sectors in Lithuania by 2020.	2020 III Quarter.	MoE, MoF, MoEn, MoEI, MoT	High The aim is to make energy efficiency and the use of renewable energy sources a daily part of every household, business or industry purchasing electricity, gas, biofuels or other fuels or raw materials.	Being implemented. The 25 February 2015 Lithuanian Government order No. 213 amended Mult-Apartment House Renovation (Modernization) Programme that ensures the financing and implementation of projects by providing preferential loans and other state support established by law to the owners of apartments and other premises, encourages the initiative of the owners of apartments and other premises to implement energy saving measures. In 2018, 224 multi-apartment buildings were renovated and the amount of energy saved in 2018 is 56,473 GWh. The lifespan of building renovation measures is 20 years. Another measure aims to develop public information, education and training on the issues of improving the energy

					efficiency of buildings, their renovation (modernization) and energy saving. In 2018, 757 measures were implemented and the amount of energy saved was 6.88 GWh.
<p>5.4. Development of the railway connection "Rail Baltica".</p> <p>Development of the "Via Baltica" road link.</p> <p>Ensuring the safety, security and competitiveness of ports, airports and related infrastructure by increasing their capacity</p> <p>(Measures 3, 4 and 5 of task 4.4.1 of the Government program implementation plan “ <i>Development of strategic economic infrastructure</i>”)</p>	Lithuania's opportunities to connect to a common European market are being increased by increasing the connectivity of cargo and passengers with the EU Member States	2020 IV quarter.	MoT	High The implemented measures will improve Lithuania's connectivity with the single European market	<p>Being implemented.</p> <p>During the implementation of the activities of the "Rail Baltica" project, a contract was signed for the preparation of the Kaunas – Vilnius railway communications engineering infrastructure development plan and environmental impact assessment services, the procedures for taking land for public needs for the main line were substantially completed, and for the Kaunas – Palemonas section (9.1 km) already over 50 percent of planned construction works are completed. "Rail Baltica" will increase the volume of activities of the participants of the railway transport and logistics market, create an opportunity to expand and offer new directions of activities.</p> <p>With the development of the "Via Baltica" vehicle road connection, starting from 2016 - there were 77.54 km reconstructed, of which in</p>

					2019, the construction works on the section of the A17 road from 10.53 to 22.06 km (11.53 km) have been completed. Seaport and airport infrastructure modernization and reconstruction works are also being carried out, which will help increase the connectivity of cargo and passengers with other countries.
5.5. Promoting energy efficiency in transport (Task 4.1.5 of the Government program implementation plan “Increasing energy efficiency”, Measure 7)	Reducing the amount of emissions of greenhouse gases - CO ₂ in the area of transport.	2020 III quarter	MoT	Average Focus investment-related economic policies on sustainable transport. Implementation of this measure would reduce the negative impact on the environment and increase the use of alternative fuels	Being implemented. In order to reduce the negative impact on the environment and promote energy efficiency in 2014–2020 with the help of EU investments, the fleet of local (urban and suburban) public vehicles is renewed with ecological vehicles (108 units purchased in 2019), electric vehicle charging infrastructure is developed, and / or reconstruction and development of footpaths and / or trails and / or bicycle infrastructure is in place.

6 Objective. Stimulate productivity growth by improving the efficiency of public investment.

<i>Indicators</i>		<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
<i>Lithuanian labour productivity is expressed in purchasing power parity per 1 employee, percent of the EU average.</i>	<i>Plan</i>	73.3	74	75	78.4
	<i>Fact</i>	75.8	77	–	–
<i>The significance of the Lithuanian strategic capacity index in the ten-point system</i>	<i>Plan</i>	7.5	7.5	7.5	8
	<i>Fact</i>	7.5	7	–	–

<i>The significance of the Lithuanian budget transparency index in the ten-point system (the survey is conducted every two years)</i>		<i>Plan</i>	5.93	5.93	6.5	7,5 (2021)
		<i>Fact</i>	5.93	5.93	5.93	–
Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the EU Council recommendation	Implementation.	
6.1. To review the state investment planning processes, to establish the principles of selection, financing and management of investment projects applicable to all sources of financing (measure 9 of task 3.1.5 of the Government program implementation plan)	A new procedure for state investment management has been prepared, integrating all sources of financing, state investment planning is linked to state strategic planning processes	2019 IV quarter.	MoF, MoEI	High The procedure of public investment management has become more efficient, management differences have been reduced when investments are financed from the state budget and EU funds. A uniform procedure for justification, selection, implementation, management, supervision and monitoring is applied, which is included in the Strategic management methodology, which is planned to be approved in 2019 and is expected to enter into force in 2021.	Being implemented. The implementation deadline is postponed to 2020. III Quarter. Draft legal acts regulating the investment management procedure have been submitted to the Seimas	

7 Objective. Develop a coherent policy framework to support science-business cooperation and consolidate research and innovation implementing agencies. (Implements structural innovation reform ¹)							
<i>Indicators</i>		<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>World Innovation Index, place</i>	<i>Plan</i>	36	35	34	33	28	28
	<i>Fact</i>	36	40	40	–	–	–
<i>Share of enterprises engaged in innovative activities among all enterprises, percent</i>	<i>Plan</i>	40	45	45	50	53	53
	<i>Fact</i>	46.6	45	–	–	–	–
	<i>Plan</i>	26	33	36	33	35	33

<i>University-industry cooperation in research and experimental development (hereinafter - R&D), World innovation index, place</i>		<i>Fact</i>	26	33	36	37	–	–
Measures that are being implemented and planned to be implemented	Desired result	Deadline for implementation	Responsible authority	Impact on the implementation of the Council recommendation	Implementation.			
7.1. To expand innovation and technology transfer centres by promoting the commercialization of R&D results developed in higher education and research institutions (Measure 7 of task 2.5.1. of the Government Program Implementation Plan)	The share of R&D expenditures of research and study institutions financed by economic entities is increased among the total expenditures, as well as the number of researchers working in the improved research infrastructure base is increased; the number of patent applications submitted by research and study institutions that have received investments and implemented R&D projects is increased; increasing the financial value of contracts of research and study institutions that have received investments with companies; the number of innovation and technology transfer centres of research and study institutions that have received investments will increase. Measure No. 01.2.2-CPVA-K-703 "Competence centre and innovation and technology	2019 IV quarter.	MoESS	High A coherent chain of knowledge and technology transfer is being created, thus (by developing innovation and technology transfer centres) directly creating conditions for effective cooperation between science and business. Technology and innovation transfer centres operate on a one-stop-shop basis such institutional subdivisions of higher education and research institutions identify business needs and at the same time present relevant existing research potential to the market.	Being implemented. During the years of 2017-2020 9 projects of higher education and research are being smoothly implemented (EU SF measure No. 01.2.2-CPVA-K-703 "Competence Centre and Innovation and Technology Transfer Centre Activity Promotion"), during the implementation of which higher education and research institution, innovation and technology transfer centres are strengthened, which are internal R&D and innovation management departments, acting as a one-stop-shop principle: they execute knowledge and technology transfer, intellectual property management, science and business cooperation promotion functions, searching for business partners for the realization of current scientific potential and / or by helping to find specific higher education and research scientists corresponding to business needs. The projects are underway, with a total of EUR 5.7 million allocated			

	<p>transfer centre activity promotion" of the 201-2020 EU funds investment operative program Priority 1 "Scientific research, experimental development and innovation promotion" (hereinafter - Measure) is implemented, according to which one of the supported activities - innovation and technology transfer centre activities are promoted.</p> <p>A total of 9 higher education and research institution projects are implemented. A new call to submit application for innovation and technology transfer centre activities is awaited at the end of 2019.</p>				to them. The duration of the projects is until the start of 2021.
<p>7.2. To commercialize the R&D results of spin-off companies created by research and study institutions (Measure 11 of task 2.3.4 of the Government program implementation plan)</p>	<p>New companies are created, developing innovative products on the basis of R&D; the number of companies cooperating with research institutions is being increased - R&D projects are being implemented on the basis of which innovative products will be developed Measure 01.2.2-MITA-K-702 "Promotion of Commercialization and Internationalization of R&D Results" of Priority 1 "Promotion of R&D and</p>	2020 IV quarter.	MoESS	<p>Average Promoting the creation of spin-off companies and the commercialization of their results (R&D-based innovations) contributes to market transformation - public investment is allocated to creating / strengthening the highest value-added business segment - for knowledge-based companies</p>	<p>Being implemented. While encouraging the creation of spin-off companies and the commercialization of their results (R&D-based innovations), a call for proposals for financing projects of activities of spin-off companies was published in 2019, (Measure No. 01.2.2-MITA-K-702 "Promotion of Commercialization and Internationalization of R&D Results"). 5 agreements have been signed with research and study institutions and with SMEs (micro, small and medium-sized</p>

	innovation” of the EU Funds investment operational program is being implemented, according to which one of the supported activities is research and commercialization of R&D results of <i>spin-off</i> companies created by study institutions				enterprises). Funding allocated: EUR 111 578.27). Project duration - no longer than 12 months. On the 20 of December 2019 a call for proposals was published in accordance with the updated description of funding conditions for the projects of the measure. Another call is also planned
7.3. Establishment and application of the procedure for reinvestment of public funds in the field of MTL. (task 4.1.3. of the Government program implementation plan, measure 2).	The Law on the Innovation promotion fund of the Republic of Lithuania was prepared and submitted to the Seimas. The planned establishment of the Innovation promotion fund will ensure the effective and sustainable promotional financing to subjects active in the field of fundamental scientific research and/or applied scientific research and/or performing experimental development and/or innovative activities (hereinafter - subjects), with such financing promoting investment in fundamental scientific research and/or applied scientific research and/or performing experimental development and/or innovative activities and their development.	2020 I quarter	MoEI, MoF, MoESS	High The investment of the Innovation promotion fund will encourage private sector investment in innovative economic entities and their higher risk innovative projects through the development of new products and their market introduction. The Fund will provide long-term and sustainable incentive funding for basic research and / or applied research and / or experimental development and / or innovation and its development by economic operators , including in times of economic difficulty. It will reduce dependence on EU funds	Being implemented. The draft Law on the Innovation promotion fund and related legislation were be considered at the meeting of the Government of the Republic of Lithuania on 19 February 2020, where the Government's resolution No.146 “On the provision of draft laws on amending article 14 and 21 of the Law on the Innovation promotion fund of the Republic of Lithuania and the Law on Technologies and innovations of the Republic of Lithuania No. XIII-1313, to the Parliament of the Republic of Lithuania" has approved them and they were determined to be submitted to the Parliament. On the 25 of February 2020, the Draft Law on Innovation promotion fund was registered in the Parliament of the Republic of Lithuania, at number No. XIII-P-4530

	<p>The fund will consist of the state budget, EU investment funds and other funds; According to the decision of the Government, the Fund may also mobilize returned and / or returning funds for the implementation of other incentive financial instruments aimed at promoting the innovative activities of economic entities in all areas of public administration.</p>				
<p>7.4. Establishment of a single agency for technology and innovation policy implementation</p>	<p>Consolidation of public consultation and funding services (excluding promotive financial incentives) in the field of technology and innovation in order to reduce fragmentation and duplication of functions within institutions, ensure integrity of policy implementation, systematic management of support programs, transparent project evaluation, etc.</p>	<p>2021 III Quarter.</p>	<p>MoEI</p>	<p>High Optimizing the network of implementing agencies, reducing fragmentation and duplication of functions, ensuring the integrity of innovation policy implementation, systematic management of support programs, transparent project evaluation</p>	<p>Being implemented. At the request of MoEI, the consulting company UAB "Smart Continent LT" has prepared a study "Development of a model for consolidation of activities of institutions whose functions are related to the implementation of science, technology and innovation policy" during the months of October 2019 to January 2019. The interim and final reports of this study were discussed and approved by a working group set up by MoEJ, which included representatives of the Government Chancellery, MoEI, MoESS, MoF, as well as the heads of MITA and the Lithuanian Business Support Agency. A decision on future actions will be taken in 2020. I quarter</p>

<p>7.5. To create a permanently active innovation voucher program that encourages companies to be more active in innovation activities and to take advantage of the opportunities provided by science and business cooperation (task 4.1.2. of the Government program implementation plan, measure 3)</p>	<p>Funding is being expanded under the Priority 1 measure “Inočekiai” of the EU Funds investment operational program for 2014–2020.</p> <p>There is a continuous selection of projects, which allows applications to be submitted on a continuous basis. It is planned to expand the activities and provide for the issuance of innovation vouchers for the implementation of projects selected under the agreement signed between the European Organization for Nuclear Research (CERN) and the Government of the Republic of Lithuania.</p> <p>Private investments corresponding to public support for innovation or R&D projects ("Inočekiai") - EUR 350 thousand.</p> <p>28 companies ("Inočekiai") receive subsidies.</p> <p>26 companies cooperate with research institutions.</p>	<p>2020 IV quarter.</p>	<p>MoEI</p>	<p>Low</p> <p>The changes made to the measure will focus on the quality of projects, encourage the commercialization of research results and the development of innovative products</p>	<p>Being implemented.</p> <p>Under the implementation of the "Inočekiai" measure, private investments corresponding to public support for innovation or R&D projects equal to EUR 1.62 million euros. 123 companies received subsidies, 114 companies cooperate with research institutions, 9 others implement Quality mark activities. Funding allocated - EUR 2.9 million.</p> <p>2014-2020 programming period EU funds finances will be invested until the end of 2023</p> <p>On the 17 of February 2020, a EUR 120 thousand invitation to submit CERN project applications was announced, and is still not implemented, with the invitation valid until 30 September 2020.</p>
<p>7.6. To promote business and scientific cooperation in the field of R&D, to encourage the establishment of new</p>	<p>Measures of the European Union Funds Investment Operational Program for 2014–2020, Priority 1 “Promotion of scientific research, experimental development and</p>	<p>2020 IV quarter.</p>	<p>MoEI</p>	<p>Average</p> <p>It is planned that during the implementation of the measure “Intelligence. Joint science-business projects” prior to the year 2023 - 57 companies will</p>	<p>Being implemented.</p> <p>Measures implemented: “Intelligence. Joint science-business projects” and “Inostartas”. Assessing the results of the achievement of both measures in 2019, they are as</p>

<p>SMEs engaged in innovative activities and the development of the products created by them.</p>	<p>innovation” are being implemented: No. 01.2.1-LVPA-K-828 “Intelligence. Joint science-business projects” and No. 01.2.1-MITA-T-852 "Inostartas". Private investments corresponding to public support for innovation or R&D projects “Intelligence. Joint science-business projects”) - EUR 34.9 mln. of financing. 274 companies receive subsidies</p>			<p>cooperate with research institutions in implementing their projects. Under the measure "Inostartas", it is planned to support 100 new companies that will develop innovative products prior to 2023.</p>	<p>follows: 287 companies receive subsidies, it is estimated that there will be about 350 such companies when the projects are completed; the number of enterprises cooperating with research institutions exceeds 60; Prototypes (concepts) of products, services or processes developed by the companies that received investments exceed 215 pcs., it is envisaged that the number of prototypes (concepts) of such created products, services or processes will reach almost 770 units upon completion of the projects, etc. Private investments corresponding to public support for innovation or R&D projects under the “Intelligence. Joint science-business projects ”, amounts to - EUR 46.1 million. It is estimated that the amount of such investments will exceed EUR 125 million after the completion of the projects; Results of the measure "Inostartas": Private investments corresponding to public support for innovation or R&D projects EUR 0,52 million. 65 companies receive / received subsidies. Funding allocated - EUR 1,55 million. In the middle of the year 2019, a new measure “Experiment” was created, for the implementation of</p>
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					<p>which EUR 72.7 mln. from EU funds were allocated. Its aim is to encourage companies to invest in the R&D needed to develop innovative products, services or processes. At the end of 2019, invitations have been published under that measure. It is estimated that the number of companies receiving grants under this measure will exceed 120 after the implementation of projects; private investment equivalent to public support for innovation or R&D projects will amount to almost EUR 73 million; the number of certified products in the field of R&D of the companies that have received investments will exceed - 30; the number of companies that have received investments in certified technologies in the field of R&D will reach 5, and so on.</p>
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